

operated amusement machine opportunity to place the equipment it sells. Michael S. Burnett is the President (and registered agent in its state of incorporation) of Turnkey Vending, Inc.

II.

Respondents, acting in concert or on behalf of each other, have placed or caused to be placed information or advertisements concerning their coin operated amusement machine opportunity in print advertisements and on their Internet website www.turnkey.com. The Internet website contains the following text:

Why do people love our machine?

There are several reasons. As an owner-operator, your primary goal is to maximize your cash flow. Our machines do this by offering an eye-catching game (no electricity required) that produces profits for you without the need of restocking a product. It has been reported to significantly out-perform other traditional vending machines. Why? No inventory to continually buy, multiple machines per location, a captive audience for 30-60 minutes, and an incredibly exciting optional prize package!

How does this game work?

The machine is attached to the table with two industrial-strength suction cups which are not visible. The player sticks their quarter in a slot in the front of the machine which has a plexi-glass dome. The quarter is then sitting on the flipper that they flip with their finger -- which shoots the coin up in the air. They're trying to make the shot by shooting the quarter through a hole on the back plate which depicts a basketball player with a ball in this hand. If they make it through the hole, they win whatever the establishment is giving away...Although it's a touch shot, it's a great source of entertainment!

Who finds the locations?

Many of our clients have no experience in the vending industry and therefore utilize the services of a Professional Locator. There are numerous location companies across the country; however, we have carefully selected 2 or 3 companies that we feel outperform the others. The choice is yours as to which company you prefer to work with. Some of these locators will guarantee your satisfaction in writing. You'll also have final approval of each location. Regardless of whether you use a professional locator or decide to locate your own machines, we provide tools to assist you including the help of a personal coach...

As a result of advertisements, at least twenty Washington residents purchased the coin operated amusement machine opportunity from Turnkey Vending, Inc. No disclosure document containing complete material information regarding Turnkey Vending, Inc., including but not limited to a financial statement of the seller, was provided to prospective or actual purchasers of the coin operated amusement machine opportunity.

III.

1 Neither Turnkey Vending, Inc. nor Michael S. Burnett are currently registered with the
2 Washington Securities Division to offer or sell business opportunities in the state of Washington and have
3 not previously been so registered.

4 It is in the public interest that the offer and/or sale of the above-described coin operated
5 amusement machine opportunity in violation of the Washington Business Opportunity Fraud Act cease.

6 An emergency exists in that further offers and/or sales of the vending opportunity described above
7 would be hazardous to investors and the public of this state.

8 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

9 CONCLUSIONS OF LAW

10 I.

11 The offer and/or sale of the coin operated amusement machine opportunity as described in
12 Tentative Finding of Fact I and II constitutes the offer and/or sale of a business opportunity as defined in
13 RCW 19.110.020(1).

14 II.

15 The offer and/or sale of the coin operated amusement machine opportunity as described in
16 Tentative Findings of Fact I through III was made in violation of RCW 19.110.050(1), the registration
17 requirement provision of the Business Opportunity Fraud Act, because no business opportunity
18 registration has been made nor a permit issued to Respondents prior to advertising, soliciting, or making
19 any offer and/or sale of the business opportunity in this state.

20 III.

21 The offer and/or sale of the coin operated amusement machine opportunity as described in
22 Tentative Findings of Fact I through II was made in violation of RCW 19.110.070, the disclosure
23 document provision of the Business Opportunity Fraud Act, because no disclosure document containing
24 complete material information regarding Turnkey Vending, Inc., including but not limited to a financial

1 statement of the seller, was provided to prospective or actual purchasers of the coin operated amusement
2 machine opportunity.

3 The Securities Administrator finds that this action is necessary and appropriate in the public
4 interest and for the protection of investors and that the public safety and welfare require emergency action.

5 SUMMARY ORDER

6 Based on the premises of the foregoing,

7 IT IS THEREFORE HEREBY SUMMARILY ORDERED That Turnkey Vending, Inc., Michael
8 S. Burnett, their employees and agents, each cease and desist from violations of RCW 19.110.050(1), the
9 registration requirement provision of the Business Opportunity Fraud Act.

11 AUTHORITY AND PROCEDURE

12 This Summary Order is entered pursuant to the provisions of RCW 19.110.150 and chapter 34.05
13 RCW. The Respondents may each make a written request for hearing as set forth in the Notice of
14 Opportunity to Defend and Opportunity for Hearing accompanying this order. A request for a hearing
15 should be in writing and sent to Deborah R. Bortner, Securities Administrator, Department of Financial
16 Institutions, P.O. Box 9033, Olympia, Washington 98507-9033 to the attention of Brad Ferber, Financial
17 Legal Examiner. If a Respondent does not request a hearing as set forth in the Notice of Opportunity to
18 Defend and Opportunity for Hearing, the Securities Administrator intends to adopt the Tentative Findings
19 of Fact and Conclusions of Law as final and make this Summary Order to Cease and Desist permanent as
20 to such Respondent.

21 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

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24 Dated this 22nd day of January 2003.

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Deborah R. Bortner
Securities Administrator

Presented by: _____
Brad Ferber
Financial Legal Examiner

Approved by: _____
Michael E. Stevenson
Chief of Enforcement

**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING
Whether there has been a violation
of the Business Opportunity Fraud Act of the
State of Washington by:

Turnkey Vending, Inc., Michael S. Burnett, their employees and agents,

Respondents.

S-02-292-02-TO01(A)

NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING

Case No. 02-04-166/ACO No. 10998

THE STATE OF WASHINGTON TO:

Turnkey Vending, Inc.
Michael S. Burnett
347 North 300 West, Suite 201
Kaysville, UT 8403733181

YOU ARE HEREBY NOTIFIED that a Summary Order To Cease And Desist has been filed by the Department of Financial Institutions, a true and correct copy of which is attached and made a part hereof.

YOU ARE HEREBY NOTIFIED that you may file an application for an adjudicative hearing before the Washington State Department of Financial Institutions on the Summary Order. Service of this notice is deemed complete upon deposit in the United States mail. YOUR APPLICATION MUST BE RECEIVED BY THE DEPARTMENT OF FINANCIAL INSTITUTIONS WITHIN TWENTY (20) DAYS FROM THE DATE YOU RECEIVED THIS NOTICE. If you demand a hearing, you will be notified of the time and place for the hearing at least seven (7) days in advance of the hearing date.

At the hearing, you may appear personally, and by counsel, if you desire. The hearing will be as informal as is practical within the requirements of the Administrative Procedure Act (see chapter 34.05 RCW). The hearing will be recorded. The primary concern will be getting to the truth of the matter insofar as the Summary Order is concerned. Technical rules of evidence will not be binding at the hearing except for the rules of privilege recognized by law. You have the right to present evidence and witnesses in your own behalf, and to cross-examine those witnesses presented in support of the Summary Order. You may require the attendance of

witnesses by subpoena. If you are limited English- speaking or hearing impaired, you have the right to have an interpreter appointed at no cost to you, as discussed below.

INTERPRETER AVAILABILITY. If you or a witness for you is a person who, because of non-English- speaking cultural background, cannot readily speak or understand the English language, or if you or a witness for you is a person who, because of a hearing impairment or speech defect, cannot readily understand or communicate in spoken language, including persons who are deaf, deaf and blind, or hard of hearing, AND YOU NEED AN INTERPRETER, then a qualified interpreter will be appointed at no cost to you or to the witness. You may request the appointment of a qualified interpreter by indicating your request on the attached Application for Adjudicative Hearing form.

YOU ARE FURTHER NOTIFIED that if the Department of Financial Institutions does not RECEIVE the Application for Adjudicative Hearing form within twenty (20) days from the date you received this notice, this will constitute a waiver of your right to a hearing and the director will find that you do not contest the allegations of the Summary Order. Upon such a finding by the director a final order will be immediately entered disposing of this matter and ordering you to cease and desist as described in the Summary Order. If you desire a hearing in this matter, please return the attached Application for Adjudicative Hearing to:

Washington State Department of Financial Institutions
Securities Division
Attn: Brad Ferber
Post Office Box 9033
Olympia, Washington 98507-9033

Dated this _____ day of _____, 2002.

Deborah R. Bortner
Securities Administrator

1 INSTRUCTIONS: Circle your desired responses to items I, II, and III below.

2 I.

3 I [REQUEST] [DO NOT REQUEST] a formal hearing in this matter.

4 II.

5 I [WILL] [WILL NOT] be represented by an attorney. His/her name, address, and telephone number
6 are:

7 _____

8 _____

9 III.

10 I [REQUEST] [DO NOT REQUEST] that a qualified interpreter be appointed at no cost to me to
11 interpret for (myself) or (my witness(es)). My, or my witness's(es'), primary language is ____
12 _____(identify language). My, or my witness's(es'), hearing impaired status
13 is _____(identify hearing impaired status). I understand that a qualified
14 interpreter will be appointed at no cost to me or to my witness(es).

15 IV.

16 You have the right: To demand a hearing; to be represented by an attorney at your own expense; to
17 subpoena witnesses to the hearing or subpoena the production of books or documents and to otherwise defend
18 against the Summary Order.

19
20 WARNING: FAILURE TO COMPLETE AND MAIL THIS DOCUMENT SO THAT IT IS
21 RECEIVED BY THE SECURITIES DIVISION WITHIN 20 DAYS AFTER YOU RECEIVED THE
22 SUMMARY ORDER TO CEASE AND DESIST WILL RESULT IN THE DISPOSITION OF THIS CASE AS
23 AUTHORIZED BY RCW 34.05.440.

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Dated this _____ day of _____, 2003.

Turnkey Vending, Inc.

Signature

Print Name and Title

Address (if facing page is incorrect):

1 INSTRUCTIONS: Circle your desired responses to items I, II, and III below.

2 I.

3 I [REQUEST] [DO NOT REQUEST] a formal hearing in this matter.

4 II.

5 I [WILL] [WILL NOT] be represented by an attorney. His/her name, address, and telephone number
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Dated this _____ day of _____, 2003.

Michael S. Burnett, as President of Turnkey Vending, Inc., and individually:

Signature

Address (if facing page is incorrect):

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